

MINUTES FROM DIGITAL CERTIFICATE WORKGROUP MEETING

July 10, 2000 from 9AM to 12:30PM
U.S. Department of Education – Room 6212
1250 Maryland Ave SW
Washington, DC 20202

ATTENDEES : Meeting Chair: Neil Sattler (202)-205-4348

Kathy Orhelein – U of Maryland
Bill Leith – U of Maryland
Judith Grassi – AMS
David Keyes – Mod Partner
Brian Fuller – Mod Partner
Jon Kroehler – USA Group
Brian Allison – USA Group
Keith Riccitelli – USA Group
Paul Ness – USA Group
Ron Sann – ED/OGC
Jim Newell – ED/SFA/CIO
Michael S. Celentano – USPS
David Henry - U of Maryland
Sarah Bauder - U of Maryland
Andy Boots – ED/SFA/CIO

Margaret Melhem – Phoenix Maximus
Bradley Reck – USPS
Johan J. Bos-Beijer – ED/SFA/CIO
Frank X. Miller – ED/SFA/CIO
Marguerite Roland – ED/SFA/CIO
Tina Pemberton – ED/SFA/CIO
Adam Essex – ED/SFA/CIO
Charlie Coleman – ED/SFA/Innovations
Mike Gibbons – Mod Partner
Cameron R. Ishaq – ED/SFA/FP
Tim Cameron – NCHELP
Lynda Folwick – ED/SFA/CIO
Matt Sackel – ED/SFA/Intern
Jeffrey Andrade – Consumer Banking Assoc

MEETING PURPOSE:

The purpose of the meeting was to support the Postal Digital Certificate White Paper initiative by conducting a review of the business requirements of the UMD/USAF student loan business process and examine the PKI/Digital Certificate capabilities of the U.S. Postal Service to see if the two are compatible. From today's meeting, it is desired that we map the workflow for moving forward toward an initial draft of a White Paper at the end of the month. The purpose of the White Paper will be to set out the current business process requirements, the technology capabilities, and the policies impacting an electronic signature Pilot program for FFELP.

In the immediate future, using the information in this White Paper, a briefing needs to be given to the Deputy Secretary of Education containing some of the details of how the Pilot will move forward. To do this, the core issues will have to be addressed, particularly as they pertain to the application of this technology to the business process of all the participants.

MEETING SUMMARY:

The kickoff digital certificate pilot workgroup meeting was attended by a group of individuals from the federal government, private sector, and academia. Presentations were made and stimulated considerable discussion into the issues surrounding digital certificates/PKI and their applicability to the student promissory note business processes. The following is a summary of each discussion.

Legal Update: (Ron Sann, ED/OGC)

The Electronic Signatures in Global and National Commerce Act (E-Sign) of June 2000 and the Government Paperwork Elimination Act (GPEA) of October 1998 provide, among other things, the legal authority for electronic signatures on promissory notes for student loans. The purpose of the federal E-Sign legislation was to preempt the potential that e-commerce would have to adhere to 50 different laws as each State potentially adopted different requirements.

However, the E-Sign legislation also provides for the use of the Uniform Electronic Transactions Act (UETA) if already adopted by a State. There are differences between the E-Sign legislation and the UETA that will have to be harmonized at some point, potentially on a State-by-State basis.

E-Sign requires software and hardware neutrality. The lack of further definition of what that means potentially can create tensions for this PKI Certificate Pilot as individual companies appeal to their elected leaders to push for a process that accommodates their proposed technology solution. However, as time goes by, technology requirements and standards will inevitably be defined by the market as consumers opt for the solutions that make most sense for their needs.

This Pilot should focus on a policy approach to issuing student loans on the basis of an electronic signature that can be authenticated, that cannot be repudiated, and that is easily introduced to the existing process. The current enabling technology or technologies that allow us to move forward immediately should be the focus of this PKI Certificate Pilot. However, the complexity of changing from a paper-based system to an electronic transaction form requires more than a few simple changes.

Finally, it is anticipated that the Office of Management and Budget (OMB) will establish implementation guidelines for the E-Sign legislation that will also incorporate the requirements of GPEA. In the mean time, this project should move forward to help clarify and resolve the issues *unique* to the student loan process.

ACES Update: Adam Essex (ED/CIO)

The General Services Administration (GSA) program for Access Certificates for Electronic Services (ACES) PKI program is designed for transactions between and among agencies of the Federal government. However, it is hoped that an ACES vendor can be integrated into this process to promote interoperability.

USPS Capabilities: Mike Celentano (USPS)

USPS has several potential services it can offer in support of the student loan process. Upon a decision to move forward with this Pilot, USPS can have a Pilot ready in three months. Based on the USPS knowledge of the student loan process, the following suggestions were made.

- A matriculating high school senior would download a form from the USPS web site, which the student would fill out and take to a designated post office.
- At the post office, the student would prove their identity to the postal employee and receive a digital signature on a floppy disk.
- The information on the floppy disk could then be permanently installed on the student's personal computer hard drive.
- The USPS system will eventually be based on a Cylink certificate, not an ACES certificate, although an AT&T ACES certificate may be a short-term substitute.

- The USPS Certificate Authority would maintain the record of the digital signature for a specified period of years, such as three or five years.
- As the student then applies for a loan, they would complete a loan application using the Internet exchange with a lender such as USA Group, sending the information required for the loan along with their digital signature.
- The lender would then send forward to the USPS Certificate Authority the student's digital signature to validate the identity of the student.
- USPS would validate the digital signature and issue a legally valid certification of delivery that would have the date and time stamped on the certification.
- This USPS certification would then be forwarded in electronic and/or paper form to the student.
- It is estimated that the student would be charged 50 cents for the certification, and the lender would be charged 40 cents for the validation of the student's identity from the USPS Certificate Authority. A draft template of an MOU is to be sent from USPS to Neil Sattler.
- USPS can be ready for operations in 3 months.

On the basis of the above model, several issues were identified for further exploration by a smaller group of technologists. These issues included:

- the need to incorporate a linkage between the loan application and the University of Maryland admissions process;
- the need to archive the certified receipt and digital signature registration for up to 35 years;
- the issue of encryption between the student and the lender;
- the need to identify a group of Pilot zip codes from which students might be expected to apply to the University of Maryland. (There are roughly 3500 first-time borrowers annually at U of Md.);
- the level of security required for these transactions; and
- an on-site review of the USPS process as it is being used at the Social Security Administration for the both the sender and receiver sites.

CONCERNS:

- Security regarding this URL based browser
- No precedent has been set in the courts; thus, there might be problems in the future when electronic transactions are challenged
- Determine how to organize policy, technology, and work flow models
- The reliability and liability of such a pilot
- Determine how the digital certificate will be distributed
- Examine the Privacy Act and FERPA
- Other vendors that are not chosen might attack the ACES format since it is not consistent with their research and development
- **Interoperability** is a must

MEETING RESULTS:

To move the Pilot program plan forward on the accelerated timeline desired, three focus groups were created to address specialized issues for presentation to the larger group. Neil Sattler (CIO/Innovations Division), as the overall program manager for this Pilot project will be a member of, and facilitator for, all three groups.

These three groups will be as follows.

Technology Focus Group, chaired by Andy Boots, Andrew_Boots@ed.gov, 202-260-8636, with participation from USA Group and the University of Maryland. This focus group will hold its consultations and have an on-site visit to the Social Security Administration before July 20, 2000.

Business Process Focus Group, co-chaired by Brian Allison of USA Group (ballison@usagroup.com, 317-595-7239) and Bill Leith with the University of Maryland. This focus group will identify the desired business flow operational requirements that would benefit them if an electronic signature could be added to on-line student loan applications. This focus group will have a document ready for discussion by Monday, July 17, 2000.

Policy Focus Group, chaired by Ron Sann, Ronald_Sann@ed.gov, 202-401-6292, supported by others to be identified. This focus group will identify the policies that must be implemented to accommodate the e-signature process envisioned in the E-Sign legislation, and any other policies issues related thereto.

NEXT STEPS:

Following the work of the focus group, a series of teleconferences will take place to review the progress of the focus groups and to channel the options identified by the three groups into a cohesive plan for going forward with the Pilot. Neil Sattler, as the program manager, will keep all parties informed of progress by the focus groups.